"To bring good health care to people, we must do something new. We can't spend our way out of our health care crisis. We have to confront the real issues of why costs are rising so fast."

The nation's health care system is in trouble, but we will not wait for a national solution. Washington's state government will lead the way by making its own system more effective and sustainable. Because the state provides health insurance for 1.3 million people, what the state does to improve health care can influence the health care market. As Governor, I want to make Washington a national leader in addressing critical health care issues.

I am putting in motion a five-step plan to tackle core problems of a health care system that improves the health of Washington's families, providing quality health care at reasonable cost. When we are holding down costs, we can improve access to health care. And when more people are healthier, the long-term costs for health care are less.

I am working to ensure that all of Washington's children have health care by 2010. My policies advance the state toward this goal, expanding health care in the current biennium to an additional 73,000 children in low-income families.

My Budget for Improving Health Care Is:

STRATEGIC

Reforms state government's large health care system to reduce costs to taxpayers, improve individual health, free up funds to provide health care to more people and lead by example to encourage improvements in the broader Washington health care marketplace.

RESPONSIBLE

Improves health care by providing medical treatment shown by real evidence to work. Improves the flow of accurate health care information to increase patient safety and reduce redundant tests and other care. Promotes healthy lifestyles.

ACCOUNTABLE

Maintains Governor Gregoire's commitment to make sure all children in the state have access to health care by 2010. Expands health coverage to 34,000 more children in low-income families, bringing the total number of additional children served in the current biennium to 73,000.

BY THE Washington provides health care to 1.35 million citizens — **NUMBERS** nearly 40% of the state's children and 21% of adults.

Governor Gregoire's Supplemental Budget for Health Care

Reforms the state health care system to improve quality, reduce costs Launches a high-value employee health plan. Adds new plan to the public employee medical benefits menu emphasizing the five-step strategy for improving health care – evidence-based medicine, consumer education and choice, better management of chronic care, more access to information about cost and quality, and increased use of electronic data. \$15.9 million Public Employees' and Retirees' Insurance Account

Buys health care that works. Creates purchasing process to buy health care shown to work, based on evidence. The process, modeled on the state's successful evidence-based prescription drug-purchasing program, uses scientific research to make sure technologies and medical care the state purchases are clinically sound and improve health. *\$1.1 million various funds*

Limits inappropriate use of prescription drugs in Medicaid and roots out unnecessary health care practices. Gives Department of Social and Health Services better tools to identify the few health care providers who exhibit unusual practices contributing to above-average treatment costs. Additional resources also ensure patients do not misuse certain prescription drugs for unapproved, ineffective or harmful purposes. Saves \$3.1 million GF-State and \$3.1 million federal funds

Advances information technology in health care. Directs Health Care Authority to develop pilot incentive payments to providers who adopt health information sharing technologies. Pilots require that provider systems be designed to share information with each other. \$500,000 Health Care Authority Administrative Account

Launches a new employee personal health assessment tool. Aimed first at a strategic sample of high-risk employees, a new, completely confidential online survey allows employees to input their personal health information, which is then compared with local and national data, resulting in recommendations for programs and actions most likely to improve individual health. \$450,000 Health Care Authority Administrative Account

Expands medical care to an additional 73,000 children in low-income families Maintains health care commitments to expand children's health care. The enacted, biennial budget funded the cost of natural caseload growth in children's Medicaid and the State Children's Health Insurance Program, plus policy changes advocated by Governor Gregoire and approved by the Legislature. That budget allows an additional 73,000 children to receive health care coverage through state programs by the end of the 2005-07 Biennium. Governor Gregoire's 2006 supplemental budget proposal makes revisions that support latest caseload and per capita cost forecasts.

Invests in disease prevention. Expands children's vaccine programs. Funds additional doses of chicken pox vaccine to meet increasing demand for the childhood vaccination, and expands meningitis vaccines. Pays for medical inflation costs associated with all routinely recommended childhood vaccines. *\$5 million, Health Services Account*